

VZCZCXRO5237  
PP RUEHCHI RUEHDT RUEHHM RUEHNH  
DE RUEHKL #0378/01 1350957  
ZNY SSSSS ZZH  
P 150957Z MAY 09  
FM AMEMBASSY KUALA LUMPUR  
TO RUEHC/SECSTATE WASHDC PRIORITY 2727  
INFO RUCNASE/ASEAN MEMBER COLLECTIVE PRIORITY  
RUEKJCS/SECDEF WASHDC PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY  
RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY

S E C R E T SECTION 01 OF 03 KUALA LUMPUR 000378

SIPDIS

FOR EAP, EAP/MTS AND PM

E.O. 12958: DECL: 05/14/2019  
TAGS: [PGOV](#) [PREL](#) [PINR](#) [MARR](#) [MASS](#) [MY](#)  
SUBJECT: NEW DEFENSE MINISTER WANTS TO EXPAND U.S.-MALAYSIA  
MILITARY TIES

REF: KL 351 -- MEETING WITH FOREIGN MINISTER

Classified By: Political Counselor Mark D. Clark for reasons 1.4 b and d.

#### Summary and Comment

¶1. (S) Newly appointed Defense Minister Dr. Ahmad Zahid Hamidi emphasized Malaysia's desire to strengthen our bilateral military relationship during the Ambassador's May 11 introductory call. The Ambassador congratulated Zahid on Malaysia's anti-piracy efforts, while the Minister highlighted the high costs of Malaysia's deployment in the Gulf of Aden and said funding was a problem. The Ambassador encouraged Malaysia's continued contributions to UN peacekeeping operations, while Zahid commented on Malaysia's intention to become a regional disaster relief and humanitarian assistance hub. The Minister mentioned that Malaysia was exploring ways to assist with the situation in Afghanistan, but did not offer details. The Ambassador raised the issue of Malaysian commercial ports imposing port fees on U.S. naval vessels, in contravention of a 1990 agreement that Malaysian officials view as now impossible to implement because most ports have been privatized over the past 20 years. Zahid expressed hope that a compromise, possibly involving cost-sharing, could be achieved in the near-term to facilitate continued regular port calls by U.S. ships, but he was uncertain of the long-term solution. Zahid commented that Malaysia was watching China closely, especially its activities in the South China Sea, but also encouraged broad and continuing U.S. engagement with China.

¶2. (C) Comment: The new Defense Minister's comments on strengthening our bilateral military ties mirror Foreign Minister Anifah's remarks to the Ambassador earlier on May 11 (reftel). Zahid and the Ambassador touched on many areas of the mil-mil relationship in which we see potential for expanded cooperation: combating piracy, peace-keeping operations, humanitarian response/disaster assistance, and possibly Malaysian help on lessening the burden on the U.S. in Afghanistan. Given Prime Minister Najib's years of experience as Defense Minister, and the fact that Zahid is a close political associate of the Prime Minister, we expect Najib to have a direct influence on important defense policy matters, including U.S.-Malaysia military ties. End Summary and Comment.

#### Zahid Values, Seeks More from Our Mil-Mil Ties

¶3. (C) The Ambassador met with recently appointed Defense Minister Dr. Ahmad Zahid Hamidi for an introductory call on May 11. Defense Attache and Poloff were also in attendance, along with Under Secretary for Policy Dr. Ismail bin Ahmad.

Zahid began by stating that he was pleased with the level of military cooperation between the U.S. and Malaysia, but he also recognized that there was more potential in this relationship. He wanted to study our bilateral military ties in greater detail in order to find areas for expanded cooperation and to develop action programs to deepen the relationship. The Ambassador welcomed the Minister's remarks and pledged to work together with the Malaysian government to strengthen our military ties.

#### Combating Piracy

-----

¶4. (C) The Ambassador congratulated Zahid on Malaysia's anti-piracy efforts in the Gulf of Aden and closer to home in the Strait of Malacca, and noted U.S. support for Malaysia joining the coast of Somalia Contact Group. Zahid expressed appreciation. The Minister termed Malaysia's efforts in the Gulf of Aden a "very expensive exercise," which has proven very valuable to the Malaysian Navy but troublesome due to its costs. Zahid noted that "even PETRONAS (the national oil/gas company) has not paid us yet" for the extra fuel costs involved in the deployment, and that he was very worried about funding. The Ambassador countered that Malaysia's participation resulted in a very positive image that one cannot put a price on, adding that it has bolstered Malaysia's image in and beyond the region, to which Zahid nodded in agreement. The Ambassador also expressed hope that Malaysia will take up a more active role regarding regional and global security issues.

#### Peacekeeping Operations, Disaster Relief

KUALA LUMP 00000378 002 OF 003

-----

¶5. (C) The Ambassador praised Malaysia's notable contribution to UN peacekeeping operations, such as the current deployment in Lebanon and expressed U.S. condolence for the PKO member the Malaysians lost to natural causes (reportedly heart attack) in the Congo. Zahid remarked that with elections in Lebanon coming up in June, Malaysian soldiers needed to be "more alert." Zahid commented on Malaysia's intention to become a regional disaster/relief and humanitarian assistance hub. The government and military were proceeding with plans to establish a World Food Program regional logistics hub for humanitarian assistance at the Subang airbase, outside of Kuala Lumpur. Zahid also noted that Malaysia would be interested in further joint training with U.S. forces on disaster relief.

#### Afghanistan

-----

¶6. (C) Responding to repeated suggestions by the U.S. side over the past year, Zahid volunteered that Malaysia was exploring ways to assist with the situation in Afghanistan. He was not yet in a position to elaborate further. (Comment: In the past, Malaysia has offered training in Malaysia to a small number of Afghan civilian officials. One idea we have surfaced at the working level is training of Afghan air traffic controllers. End Comment.) Zahid asserted that the U.S. still had much to do to repair its image abroad, particularly in Muslim countries. The Minister noted that recent deaths of civilians in Afghanistan were unhelpful and urged reevaluation of the U.S. approach.

#### Port Fees

-----

¶7. (C) The Ambassador raised the issue of Malaysian commercial ports imposing port fees on U.S. naval vessels, which contravenes our 1990 MOU with Malaysia. The Ambassador noted the impact this issue, if left unresolved, could have on U.S. naval engagement with Malaysia. Zahid expressed hope that an interim solution of burden sharing could be

implemented so that visits could continue uninterrupted, but did not provide details. (Comment: At the time of signing the MOU, most Malaysian ports were owned by the government; over time they have been privatized. Defense Ministry interlocutors consider this portion of the MOU to be out of date because the Government no longer has the authority to implement the 1990 provisions. DAO is following up on Zahid's remarks regarding burden sharing. End Comment.)

#### Concerns over China, the World Economy

-----

18. (S) The Ambassador and Zahid briefly reviewed regional dynamics and impact of the global financial crisis. Zahid commented that Malaysia was watching China closely, especially its activities in the South China Sea. Zahid noted that he hoped for constructive relations between China and Japan. He urged continued engagement between the U.S. and China, noting that informal means of communication were often more productive than public, front channel talks. Zahid inquired about the U.S. defense budget in light of the global economic crisis. The Ambassador replied that all U.S. government agencies were affected in some way. We would continue to fulfill all of our defense-related commitments throughout the world. Malaysia could depend on that. The Ambassador added that the current situation provided an opportunity for other countries, including Malaysia, to become more involved in global affairs, for example by contributing more to peacekeeping operations and lending greater support to negotiations on critical issues such as Iran's nuclear program.

#### LIMA Air and Maritime Exposition

-----

19. (SBU) Zahid encouraged U.S. participation in the LIMA Air and Maritime exposition held every other year in Langkawi, off Malaysia's west coast, and scheduled next for December 2009. (Comment: U.S. military elements and some U.S. firms normally participate in LIMA; the Malaysians typically have sought a more robust U.S. presence. End Comment.)

#### Comments on Zahid's Background and Approach

-----

KUALA LUMP 00000378 003 OF 003

10. (C) Zahid shared some of his professional background with the Ambassador. The Minister related his previous experiences in the private sector and the Ministry of Tourism, highlighting his close working relationships with people from a variety of professions, including one with a U.S. Foreign Service Officer many years ago. (Comment: From this initial encounter, Zahid appears less comfortable with formal meetings and protocol, and appears more at ease dealing on a more personal level. At one point he remarked that he would rather resolve impasses over dinner than at a conference table. End Comment.)

KEITH